

ALG Minutes Feb. 16, 2012

Present: Bart Wendell, facilitator; Mike Gowing, Pam Harting-Barrat, BoS; Doug Tindal, Pat Clifford, FC; John Petersen, Xuan Kong, SC; Steve Ledoux, Steve Mills, John Murray & Don Aicardi, staff.

Audience: Mary Ann Ashton, Clint Seward, FC; Marie Altieri, school staff; Allen Nitschelem, Charlie Kadlec & Dick Calandrella, AVG

The Minutes were accepted

2. Review if FY 13 plan---incorporating the Town Manager's and school superintendent's budget reductions Included was the need to reach consensus on 1. Revenue Assumptions; 2. Reserve use; & 3. Expense allocation.

Doug wished to make sure that a multi-year plan was also discussed to prepare for the presentation at Town Meeting.

Bart agreed that should be a part of the discussion. Bart was "pleased" to hear that the groups seemed to have reached a consensus on the three points.

Steve L: explained that the \$2.9+ M use of reserves has been lowered to \$1.7 M in keeping with the increase of \$200k to the original \$1.5M level allowed by the FC. \$700k came from HIT & was taken "off the top" changes were made in transportation. In the second meeting they agreed to the 70/30 split. The "Tiger Team" worked on the nursing dropping the \$400k to \$200k. The schools are looking at their own cuts.

Doug congratulated them on their efforts and said he'd work with FC to sign off on the \$1.7M as opposed to the original \$1.5M. He noted that some of the projected negative balance of \$13M for FY13,14 & 15 as shown in the Jan spreadsheet has been reduced in the new Feb 15 spreadsheet to less than \$9M before OPEB & he praised the ALG process.

Bart asked if the three assumptions were now settled and consensus reached. They have.

Pat: agreed that the consensus had been reached for FY 13. She asked about the level of the overlay fund.

That information is not yet available.

Bart: historically the ALG has focused on the upcoming year---the other years would flow into place but not be a focus in part because the documentation was not available.

J.P looking at FY 12 he wondered about the mild winter and the use of reserves. He thought the numbers might be different from what is on the sheets

J.M. said there was a definition problem between net use and appropriated monies---the ALG was preparing a document that would go to Town Meeting

J.P: A projection exercise might be interesting to go back & see how well the ALG did Two years of actuals might be useful

J.M: FY 11 & 12 net out to "0" & we only present FY 13---it is a matter of how we use the report & present it to Town Meeting. This is done on what TM voted for appropriations.

Xuan: there are two issues: going to TM on what we know is a gap between planned expenses; and anticipated revenue (thus the need to appropriate reserve use to fill the gap) and what is the net change of our reserves which is the combined effect of the actual expenses, revenue and replenishment of reserves at the end of the fiscal year.

Bart: do we change the use to appropriation ---line F on 1st page?

Doug: Actuals to budget is fundamental to FC support. The reserves as we in the leadership understand them & as understood by the public are not the same thing. It would be a good exercise to publish an agreement on what we see as reserves. NESWC is a stabilization fund & not a reserve.

Bart: do you want to change this now or when?

There was an agreement between Doug & JP that this information would be valuable. JM reminded them that the info was tied to the recap sheet and that did not do the current year. It was suggested that the information on reserves be released around the time of the recap sheet is accepted

***There was a consensus to change the use of appropriated monies [it was not clear as to who would do the task]

Bart asked if there was anything else to be discussed

Doug: the FC wants to talk about FY 14 & 15 & how we will model the info for the future years.

Bart cautioned that decisions made by one ALG do not restrict the next year

There was a general discussion about the OPEB & how it would be funded. It appears that number will be part of the 70/30 split even though there was a hope that it would come from reserves. There was also the general feeling that the state would intervene into the OPEB issue and have “directions” to towns as to how they would fund the liability and by how much. Under the split AB would fund \$216K. There was a caution that if the regionalization were to pass the AB portion would increase. There was recognition that some citizens wanted to make the payment far greater based on the liability and the Segal report.

JM suggested that the OPEB contribution from the municipal and regional entities should be proportioned according to the liabilities.

J.P. the UUAL for the municipality is \$57.3M and the UUAL for the ABRD is \$43.6M as of Dec. 2010. On this basis the \$500k would be split as $500 \times 43. (43.6 + 57.3) = \$216k$ for the regional OPEB and \$284k for the town.

Under the split AB would fund \$216K. There was a caution that if regionalization were to pass the AB portion would increase.

There was recognition that some citizens wanted to make the payment far larger based on the liability and the Segal report.

Doug noted that the FC realized the \$500k was not significant number in light of the liability. But the FC thought it was a prudent move to make a start and at the same time educate the public about the liability

Pat C: handed out a “green sheet” where the FC has increased the money for the OPEB every year...\$500k, \$750k It was posited that the increase could be funded by the savings in HIT.

There was agreement that the OPEB should increase in the future years---the amount could not be determined. There were propositions to increase by \$100k; 50%; a “decent amount”

Steve L: said that this whole discussion would likely be moot since it appeared that within the next two years the State would tell the towns how much they had to add to their OPEB funds. He felt that it was good to start and show

that there was an inclination to increase the amount to show a “good faith” effort. It was good to get in front of the problem

J.P said the last time Acton got in front, they went to Concord & got shot.

JM noted that the MMA has cited OPEB as their big issue and he does not think it will be another “kick the can ahead issue” but will become some sort of legislation for next year.

Pat C. reminded them that as ALG they were supposed to be the leaders—“I’d rather go to Town meeting with some number and admit what is coming than come back later & tell the Meeting that we knew but did nothing”

Bart: are we talking about alternatives for the warrant? The FC will go in with their numbers which will not be supported by the SC? Does it matter if they do not agree?

Xuan: I don’t think anyone here is trying to minimize the problem. I think we need to take these numbers [the green sheet] back to our respective boards for further analysis. We may find that there are more reasonable assumptions for FY 14 &15

Bart: we now have OPEB at \$500k/\$750k--- green sheet number; \$750k/\$1.125M—Mike’s proposal; \$600k & \$700k—JP’s proposal. Shall we do what Xuan recommends & take these back to the boards?

Doug: we are all saying that the number has to go up to the \$2.2M We have put our thumb on the scale & taken a middle of the road process.

*** Since the green sheet has not been vetted, it was agreed that it be taken back to board & committees

Public:

Allen: The FC is doing a disservice to the community with the \$500k number. A prudent amount would be \$2M. We have Segal report suggesting a need for \$10M. The \$500k is totally inadequate. We will see that in a few years.

Charlie: there are a number of articles: two for collective bargaining and two for capital equipment---are the sums to fund these on the spreadsheet? ANS: yes.

Don noted that the numbers on the sheet had been scrubbed but putting on [scrubbed] out years might take some time.

Next meeting is Feb 28th

It appeared that no one seemed to think that was enough time to get “meaningful” numbers for the out years. There was a general discussion about the scheduling of meetings when the various boards would have a chance to look at the green sheet. Both the BoS & SC have full agendas and cannot promise that they will have the chance to discuss & vote on the numbers.

There was a suggestion that the meeting on the 28th be skipped---that was shot down.

****It was agreed to meet & go with what was available [Don & John will do some scrubbing?] because there are other things to discuss

****It was also agreed to have a post Town Meeting session to look into developing long range plans

Adjourned 7 PM

Ann Chang

Next Meeting Feb 28th 5PM.